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*Published in:*  
Third World Quarterly

*DOI:*  
[10.1080/01436597.2014.907728](https://doi.org/10.1080/01436597.2014.907728)

*Publication date:*  
2014

*Citation for published version (APA):*

Efstathopoulos, C., & Kelly, D. (2014). India, developmental multilateralism and the Doha ministerial conference. *Third World Quarterly*, 35(6), 1066-1081. <https://doi.org/10.1080/01436597.2014.907728>

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# India, Developmental Multilateralism, and the Doha Ministerial Conference

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## Abstract

Despite its growing status as an ‘emerging’ power, perceptions of India’s current and future role in multilateral organizations continue to be overshadowed by its reputation for blocking rather than supporting progress in multilateral negotiations on grounds of national sovereignty and Third Worldism. In this article we suggest a more positive interpretation of India’s role through a close analysis of its diplomacy during the 2001 Doha Ministerial Conference of the World Trade Organisation (WTO). The Indian delegation attempted proactively to shape the agenda of the negotiations and to promote a form of developmental multilateralism that might correct the perceived imbalances within the substantive commitments to and structure and processes of the WTO. India failed to get its way at the time, but the ongoing deadlock at Doha demonstrates the continuing salience of such alternative conceptions of global justice.

**Keywords:** India, WTO, Doha Development Agenda, policy space, developmental multilateralism.

## Introduction

India is very often cast as a ‘malcontent’ in multilateral trade negotiations. This characterisation emerges from the perception that India has ‘long harbored deep antipathy toward the global trading system.’<sup>1</sup> The relevant literature either explicitly discusses India’s role as a refusenik in trade negotiations, or implicitly raises it by speculating on how India’s ‘rise’ or ‘emergence’ will affect the speed, direction and outcomes of such negotiations.<sup>2</sup> Some commentators make both points simultaneously. Kent Jones, for example, notes a shift from Europe and the US as the main source of deadlock over a deal on agriculture (the headline sticking point at Doha), to ‘India and other developing countries’. This shift indicates ‘a new and more complicated process of reaching consensus on a global trade deal’, and is followed by exhortations ‘for WTO members to maintain a commitment to trade liberalization and flexibility in trade negotiations.’<sup>3</sup> The implication seems not that the US and EU are at fault for holding up the negotiations in the past, but rather that India and other developing countries should be prepared to fall into line with the prevailing ideology of neoliberalism.

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By framing our substantive discussion within the ‘policy space’ literature, we aim to contribute to a body of research that provides a more nuanced interpretation of India’s trade diplomacy. Jannie Lilja demonstrates that India has consistently shown flexibility in negotiations over non-agricultural market access (NAMA) and services.<sup>4</sup> Amrita Narlikar draws on rational choice theory to suggest that India’s narrow strategic interest is not the only motivation behind its calls for greater equity at the WTO. In her view, ‘the fact that Brazil and India have adhered to a fairness discourse aimed at genuine procedural equality and distributive justice’ despite their growing power in the context of trade, ‘suggests that the logic may extend beyond strategy into the world of ethics.’<sup>5</sup> She is not alone in reaching such a conclusion. Jorgen Pedersen suggests that ‘India’s policies in international negotiations have not always aimed at exclusively serving what would arguably be India’s narrow national interests.’<sup>6</sup> Confrontation continues to feature as a key element of Indian strategy but the fiery rhetoric and uncompromising stance taken at Doha and again in Cancun had been largely displaced by a negotiating position and tone more open to compromise by the time of the Hong Kong Ministerial in 2005.<sup>7</sup>

In the case study that follows we show that India did indeed seek to block the launch of a new round of trade negotiations. Undoubtedly, this naysaying was caused by a combination of protectionist sentiment at home (particularly in agriculture), national pride, a tradition of non-alignment and Third Worldism, and the idiosyncratic response to these pressures forthcoming from various Indian Ministers of Commerce. However, in maintaining its opposition to the launch of a new round India was also likely to incur costs to its international standing certainly, but also to its domestic economy. This was particularly so in the case of the services sector where, by the 1990s, India’s comparative advantage had finally begun to grow as a consequence of the halting progress of economic liberalization begun in the 1980s. Far from straightforward opposition, India’s position in the run up to Doha was cautious acceptance of the potential benefits of trade liberalization – in certain areas – and of the ability of the WTO to deliver it. The key problems for India were the perceived failure to implement agreements reached under the auspices of the Uruguay Round (UR), and the re-introduction of the Singapore Issues. These same issues continue to bedevil the Doha Development Agenda.

We argue that India has sought to preserve and extend policy space for itself and others through proactive engagement with the WTO. We call this proactive engagement ‘developmental multilateralism’. Developmental multilateralism is the pursuit of both substantive and procedural fairness in multilateral economic institutions, and its aim is to promote economic growth through international rules that take seriously cultural and historical sensitivities. It is not against freer trade *per se*. Developmental multilateralism appears negative only when set against the steady push towards small government, more open markets and freer trade championed under the neoliberal approach to development. Developmental multilateralism is a strategy for re-negotiating policy space in global economic governance, and aims to maximize the state’s ability to conduct an autonomous developmental policy through the re-formulation of, rather than disengagement from, international economic law.

In order to substantiate this claim, we develop a detailed account of India's role in the negotiations that led to the launch of the Doha Round in 2001. Throughout the Doha negotiations, we argue, India strove to promote an alternative agenda deemed beneficial not only for developing countries but also for the stability and legitimacy of the WTO. Although initially attractive to other developing countries, India's pursuit of policy space via a strategy of developmental multilateralism ultimately failed to gain political traction. A number of factors contributed to India's failure. Indian negotiators were, firstly, hampered by competition at the domestic level between emergent export-oriented sectors such as manufactures and services and traditional, inwardly focused sectors – especially agriculture.<sup>8</sup> This competition undercut the coherence of India's negotiating position as its delegation struggled to find a line that satisfied the interests of both sectors whilst keeping its allies on board. Moreover, India's strident public diplomacy served to obscure its actual negotiating position which was a little more nuanced. A second factor was continued adherence to the 'strict distributive strategy' in trade negotiations.<sup>9</sup> This zero-sum approach to the negotiations meant that despite wishing to see progress in services liberalisation, India's overall strategy remained inflexible: leaving no room for the exchange of concessions associated with successful negotiations. Third, developed countries offered selective inducements to India's allies, causing support for India's position to melt away. Finally, India's position was made untenable by calls for international solidarity following the attacks of 11 September 2001.

The paper draws upon public statements and international news reports to highlight the intense climate surrounding India's role during the ministerial. This material further illustrates how India was made into the scapegoat holding up the launch of the new round and thus -- so developed countries claimed -- harming rather than helping the economic prospects of developing countries and the global economy as a whole. A detailed examination of India's behaviour at the Doha ministerial suggests a reassessment of existing perspectives and provides a deeper understanding of the ideas and interests which have shaped India's integration within the liberal institutional order. Framing the substantive discussion is the concept of 'policy space', and it is to a brief overview of the literature that we now turn.

### **From policy space to developmental multilateralism**

From the perspective of developing countries policy space 'is about their freedom to choose the best mix of policies possible for achieving sustainable and equitable economic development given their unique and individual social, political, economic and environmental conditions'.<sup>10</sup> Each country faces internal and external constraints that limit the 'universe of available policy choices for development'.<sup>11</sup> Internal constraints include limited 'political, financial, human, institutional, infrastructural and environmental resources', while international commitments or obligations form external constraints.<sup>12</sup>

As a group, moreover, developing countries face a common set of challenges because of their dependent position within the global political economy: their subset of available policy choices is smaller than that available to developed countries. Developing countries have fewer resources upon

which to call in the domestic sphere, and less power in the international sphere. The concept of policy space includes, therefore, both temporal and moral components. As Kevin Gallagher explains, policy space is ‘space that allows developing countries a relatively larger role in economic development policy than is permitted by developed countries but that developed countries deployed during earlier stages of development.’<sup>13</sup> Calls for increased policy space demand recognition from already developed countries that their wealth and power was accrued at a time when there were very few rules governing behavior in the global polity and economy.<sup>14</sup> This not only concerns legacies of colonialism and other forms of subordination but also the near absence of effective international regulations governing capitalism before 1945.

The literature on policy space appeared when it did for one very good reason. Observers noted with alarm the apparent shrinking, and potential disappearance, of the regulatory space in and through which developing countries might pursue their particular vision of economic development. As noted by the United Nations Conference on Trade and Development (UNCTAD): “the emergence of rule-based regimes for international economic relations [has] meant that the space for national economic policy, i.e. the scope for domestic policies, especially in the areas of trade, investment and industrial development, is now often framed by international disciplines [and] commitments”.<sup>15</sup> The structural adjustment and poverty reduction strategies of the International Monetary Fund and World Bank had long been singled out for criticism, and to these was added the General Agreement on Trade in Services (GATS), Trade Related aspects of Intellectual Property (TRIPs), Trade Related Investment Measures (TRIMS) and Subsidy and Countervailing Measures (SCM) Agreement following the creation of the WTO in 1995.<sup>16</sup> Indeed, Robert Wade suggested – with ‘only a touch of hyperbole’ – that GATS, TRIPs and TRIMS ‘could be called a slow motion Great Train Robbery’.<sup>17</sup>

The first phases of the Doha Round (especially 2001-04) witnessed a struggle over the future direction of negotiations, and reflected a growing awareness amongst developing countries that new trade areas such as the Singapore Issues threatened to further affect their domestic policy space.<sup>18</sup> It was not only the new agreements that were of concern to developing countries, however, but also a number of changes within and beyond the remit of the WTO. Increasing pressure to limit and even roll back the provisions on Special and Differential Treatment; ongoing dissatisfaction with the structure of the WTO and its negotiating procedures; and the increased numbers of ‘WTO+’ agreements reached in bilateral and regional negotiations were all cause for concern. Much of the literature on policy space should be seen alongside, or as a subset of, the wider anti-globalisation literature emerging at around the same time.<sup>19</sup> Both literatures resonate with the public demonstrations of dissent occasioned by the annual meetings of global fora such as the WTO, the G20, and the World Economic Forum, and seek to transform the moral terrain upon which international economic agreements are negotiated.<sup>20</sup>

The literature on policy space has demonstrated how the economic policies of states may be constrained by international agreements. Future research might examine how states respond to the shrinking of policy space, and what strategies they may deploy to regain policy space without withdrawing from their international commitments.<sup>21</sup> While less-developed countries may have

limited bargaining power through which to re-negotiate policy space,<sup>22</sup> emerging powers are arguably in a stronger position to pursue such a strategy. DiCaprio and Gallagher identified this possibility through their analysis of the impact of the UR on the policy space available to the Newly Industrialised Countries.<sup>23</sup>

The concept of policy space is a useful jumping off point for our substantive discussion of India's negotiating strategy at the Doha Ministerial Conference of 2001. We prefer to use the term 'developmental multilateralism' in this paper for a number of reasons. First, although much of the policy space literature addresses the concerns specifically of developing countries, it is clear that all countries share a need for 'policy space' irrespective of their level of development. Second, although we do briefly introduce the domestic conditions shaping India's negotiating position, our main focus is at the international level: on events and positions at (and before) the Doha Ministerial Conference itself. Third, the concept of developmental multilateralism implies proactive engagement by developing countries with the contemporary multilateral trading system, and an enlarged management role in the system in future. The active exercise of 'agency' is the key goal, rather than the passive acceptance of slightly more 'policy space', and emerging powers such as India possess the material capacity and ideational influence to pursue assertive strategies in defense of their domestic economic policies. Finally, developmental multilateralism is not synonymous with 'redistributive multilateralism' since it is a strategy that seeks more than economic compensation for perceived historical injustice and inequality.<sup>24</sup> Developing countries not only want a bigger share of the global economic pie, they want a bigger say in how it is baked, on what terms it is divided and who gets the credit.<sup>25</sup>

### **Continuity and change in India's political economy**

After a long period of defensive diplomacy in the GATT, and efforts at building alternative institutions such as UNCTAD and the New International Economic Order (NIEO), India's trade diplomacy in the run-up to the Doha Ministerial Conference appeared to reflect a willingness to engage proactively, albeit cautiously, with the new WTO architecture. Material and ideational changes within the Indian political economy contributed to this shift, whilst continuities inhibited radical policy change. In broad terms there have been three major transformations in India's political economy since the 1980s: a rise in Hindu cultural nationalism, the empowerment of previously subordinate classes through democratic mobilization, and liberal economic reforms.<sup>26</sup>

For our present purposes suffice it to say here that these transformations impacted upon the Indian position at Doha in several ways. First, Indian negotiators were perhaps even more cognisant than usual of domestic resentment towards the imposition of WTO obligations and, as a consequence, often felt the need to 'play to the gallery' in defence of India's perceived interests. Second, Indian negotiators faced the difficult task of protecting vulnerable sectors such as agriculture, whilst simultaneously promoting further liberalisation in increasingly competitive sectors such as services. As the negotiations progressed, the lack of coherence in the Indian position brought about by these contradictions began to grate on the domestic audience, and on India's coalition partners and its

adversaries alike. In combination with intense US and EU criticism (highlighting Indian 'naysaying' whilst downplaying the reservations expressed by other developing countries), these factors weakened both the Indian position and the force of its arguments.

Turning first to services, according to World Bank estimates, the Indian services sector grew at an annual rate of 9 per cent during the 1990s, with India's services exports showing 'one of the fastest rates of growth in the world': more than 17 per cent annually and increasing 'two and a half times faster than the domestically focused part of the services sector'.<sup>27</sup> Services exports grew 23 per cent between 1995 and 2000, while the rate of growth in the rest of the world was only 3.7 per cent. Meanwhile, India's growth rate of exports in software services between 1995 and 2000 was 51 per cent with the rest of the world at 25%. In 2001, India's share in world exports of software services was 17 per cent.<sup>28</sup> The material transformation of its services sector dictated a more assertive approach to negotiations, and this was reflected in India's bargaining position at Doha.

The dynamism of services exports contrasted sharply with the underperformance of Indian agricultural exporting, however, which accounted for a smaller percentage of total exports (15%) but a considerable portion (22.4%) of the country's GDP.<sup>29</sup> Rapid reforms, initiated and sustained since 1991-2 in other sectors, were still to be introduced in agriculture by the time of the Doha Ministerial. Structural problems (such as low investment levels in infrastructure, irrigation, and research and development), the uncompetitiveness of import-substituting industrialisation policies, and the existing patterns of land distribution (where approximately 650 million farmers possess average landholdings of only 1.5 acres), mean that Indian agriculture remains extremely uncompetitive and vulnerable to external developments.<sup>30</sup> Since increased multilateral engagement offers opportunities to accelerate and lock-in domestic reforms in dynamic sectors such as services, and to conduct more effective international bargaining through trade-offs, the political sensitivity surrounding agriculture generates a defensive negotiating stance that, at the time of Doha, remained particularly prevalent in India.<sup>31</sup>

Nevertheless, material shifts in the structure of the Indian economy led to a reformulation of political interests regarding the WTO agenda. This reformulation was given added momentum by the long process of socialisation to the norms of neoliberal doctrine that had been in train since the late 1980s: a process accelerated during the multilateral negotiations that led to the launch and conclusion of the Uruguay Round. Jane Ford has described this process as one of 'complex social learning', where India's trade identity gradually shifted from that of 'protectionist Other' to 'multilateral trader'.<sup>32</sup> The process of social learning gradually led India towards acceptance of the normative pillars of the GATT/WTO system as the appropriate mechanism governing international trade. Although Indian negotiators continued to argue that substantial reform was required if imbalances between North and South were to be removed, the process of trade liberalisation was now perceived as an integral part of economic development in the global South.

These incremental shifts of position are apparent in Indian diplomacy during the preparatory

negotiations of the Committee on Agriculture and the Council for Trade in Services of the WTO during 2000-01. In the Committee on Agriculture, India attempted to highlight the deficiencies of the UR Agreement on Agriculture (AoA), but increasingly appeared to accept the basic parameters of agricultural liberalisation, and the reform process outlined in the Preamble and Article 20 of the AoA.<sup>33</sup> While India had previously questioned the positive impact of trade liberalisation on developing economies, it now understood that asymmetries in global trade resulted from the benefits of liberalisation not having yet reached the developing world. The problem, therefore, was located in the *implementation* of the AoA rather than in the agreement itself. The responsibility for achieving this objective, however, now lay with developed countries making good on their commitment to the reform process.

India adopted the same approach in the services negotiations. Its position was that the GATS provided the appropriate guidelines for moving forward, with 'progressive liberalisation' and 'adequate flexibility' being correctly placed as the principal goals for developing countries.<sup>34</sup> Article XIX provided substantial flexibility for members of lesser capacity, by allowing them to undertake liberalisation compatible with their developmental and national policy-making standards, and in fewer sectors and types of transactions.<sup>35</sup> On this basis, India argued that any proposals for reviewing GATS provisions should 'be aimed solely at improving the clarity and legal consistency of the text of the Agreement and be relevant to article XIX'; in addition, no working document should replace existing negotiating guidelines and principles, or in any way 'alter the GATS architecture nor upset the balance of rights and obligations referred to in article XIX'.<sup>36</sup>

The language deployed by India in the WTO reflected both the domestic level changes in its economy and the shift in the country's world-view of the global trading system. For most of the Cold War era, India had striven to promote the reordering of international trade and monetary relations and maximize policy space through disengagement from the global economy. India's counter-hegemony was rendered unsustainable by the structural transformations triggered by the collapse of bipolarity and the triumph of neoliberalism. The economic reforms initiated in India in the early 1990s to overcome economic stagnation dictated the restructuring of the country's developmental model as Indian elites were gradually socialised to the norms of trade liberalisation and sought to foster the competitive advantage of key sectors such as services.<sup>37</sup> The process of domestic restructuring led to the adoption of a more assertive foreign economic policy. India's commercial diplomacy was designed to sustain domestic reforms, sharpen the competitiveness of the Indian economy, promote dynamic export sectors such as services, attract investment, and achieve recognition for India of its rising economic power. India's diplomacy in the WTO was re-oriented towards realising these objectives. Its inclination to engage with WTO negotiations in critical areas such as agriculture and services reflected the restructuring of the Indian economy towards an increasingly export-driven and outward-looking model.

### **India's promotion of developmental multilateralism in the WTO**

India's main aim at Doha was therefore to focus attention on the need for implementation of



existing agreements before the agenda moved on to TRIPs, TRIMs and GATs, and to resist the introduction of even more novel regulation such as the Singapore Issues. India sought to achieve these aims through its own efforts and in coalition with other newly emerging powers and members of the 'global South'.

The Singapore Issues had been promoted by the US and EU during 2000-01 as part of a broad agenda for a new round of negotiations. From India's perspective, however, overloading the WTO agenda with novel technical issues would create possibilities for further unequal trade-offs. Increasing asymmetry would constitute a greater threat to the multilateral trade system than a failure to launch a new round.<sup>38</sup> Any new issues should be added to the negotiating agenda only after outstanding implementation issues from the UR had been resolved.<sup>39</sup> Even full implementation of UR commitments, however, would not guarantee future negotiation of the Singapore Issues. In the area of investment, for example, India's position was that existing bilateral agreements provided sufficient regulation of FDI flows.

India's agenda was strongly reflected in the coalition of the Like Minded Group (LMG): an alliance specifically formed to block the inclusion of the new issues and secure implementation of existing agreements.<sup>40</sup> At the Doha Ministerial the LMG interpreted its remit broadly, formulating detailed proposals on the various developmental dimensions of trade, while maintaining a polemical approach in agricultural trade negotiations. The LMG's proposals contained language similar to India's, mirroring essential elements of India's developmental multilateralism. The LMG and India shared a reformist understanding that the WTO could be an appropriate forum for the resolution of developing countries' capacity problems if only existing rules were fully observed. India also attempted to mobilise support in other developing country groups such as the South Asian Association for Regional Cooperation (SAARC) and the G-77.<sup>41</sup>

India's developmental multilateralism echoed collective understandings in the global South since many developing countries were sceptical of the implications of the Singapore Issues for their domestic policy space. These same countries had begun to realise that implementation of UR commitments was going to be a lengthy and complex process. India's opposition to new issues and a new round therefore appeared rational to many developing countries. These bonds were strengthened by India's reputation as a leader of the Non-Aligned Movement (NAM). While India's foreign policy had moved towards a more strategic realist posture throughout the post-Cold War period, there is evidence that the non-aligned tradition -- emphasising idealist understandings of South-South cooperation -- remained a strong element in India's diplomacy at the Doha Ministerial. India's reputation as the 'voice of the voiceless' reflected the moral authority and legitimacy India enjoyed among the ranks of developing countries.<sup>42</sup> In the context of the WTO therefore, India was in a position to capitalise on its image as a defender of the Third World, and mobilise many developing countries in support of its agenda of developmental multilateralism.

## India as dissident leader at Doha

### *Consensus-building and India's isolation*

India's public diplomacy appeared increasingly to undermine the prospects for a new round. Its hard-line approach left no space for trade-offs, and the public statements of Indian officials reflected a willingness to pursue their agenda at all costs. Describing the climate surrounding India's role, Panagariya suggested 'there was some measure of discomfort on the part of some developed countries in Doha that India might become the ultimate stumbling block to the launch of a new round...By failing to take a clear public stance in favour of [the] round...India made itself highly vulnerable to the charge of obstructionism'.<sup>43</sup>

Having indicated a rhetorical commitment to block the launch of a new round, India was placed at the centre of US diplomatic efforts to forge a consensus.<sup>44</sup> In a clear attempt to circumvent Indian resistance, US Trade Representative (USTR) Robert Zoellick visited India in August 2001: the first member of the Bush administration to do so. The visit delivered an explicit message to India to drop its objections. Zoellick stressed the urgent need for constructive participation, warning India that withdrawal from the new round would diminish its influence.<sup>45</sup> To sugar-coat this bitter pill, the US announced that under the Generalised System of Preferences (GSP) scheme it would grant duty-free access to 42 Indian products.<sup>46</sup> India refused to budge. Indian Commerce Minister Maran warned that India would not soften its position and claimed that India was supported by many states in its campaign to resolve implementation issues.<sup>47</sup> Prime Minister Atal Bihari Vajpayee, who declared that his government would veto the new round if implementation issues remained unresolved, made India's rejection of the US offer official.<sup>48</sup> India's recalcitrance caused frustration among domestic US farm lobbies, which now anticipated the derailment of the round before it had even begun.<sup>49</sup>

India's optimism that it could deliver on its developmental agenda with support from the global South was premature. India's growing marginalisation was highlighted during the two informal mini-ministerials that took place in advance of Doha. The first took place in Mexico, in August 2001. The meeting was marked by the efforts of USTR Zoellick and EU Trade Commissioner Lamy to accommodate the grievances of developing countries. Indian officials declared that no consensus had been reached; yet India was the only participant to declare openly its opposition to the agenda of the meeting. The second mini-ministerial took place in Singapore on 13-14 October 2001. The Chair of the WTO General Council, Stuart Harbinson, had previously released a draft ministerial text on 26 September. This text caused frustration among developing countries since it failed to account for the different views among the WTO membership on the contentious new issues. India rejected the draft along with other LMG members including Indonesia, Malaysia, and Pakistan.<sup>50</sup> Maran commented that the draft text would only regenerate unequal trade structures that locked-in developing countries as primary product exporters. For negotiations to retain legitimacy, implementation issues had to be placed in fast-track mode.<sup>51</sup> The text was nevertheless used as the main document for the talks at the Singapore meeting and endorsed by many participant ministers.

The two mini-ministerials constituted the highpoint of WTO Director General Mike Moore's efforts to draw in to the 'inner circle' of the negotiations a number of previously excluded developing country ministers. The mini-ministerials were largely successful in generating consensus among pivotal WTO members. Integrating leading countries of the global South was a key mechanism in the neutralisation of India, which was increasingly portrayed as the sole member resisting progress in the negotiations. Britain and Germany, for example, urged India to adopt a more constructive approach on implementation issues.<sup>52</sup> As the process of consensus building continued, Indian negotiators appeared unaware of their increasing isolation. Indian statements indicated continued adherence to the principles of developmental multilateralism and an assumption that such principles embodied the collective interests of the global South.

The General Council meeting of the WTO, which took place on 31 October and 1 November to discuss the second draft of the Harbinson text (released on 27 October), served only to reaffirm India's inflexibility. India's statement outlined in detail how the proposed draft threatened to eliminate particular policy options for developing countries.<sup>53</sup> It was noted that the two options on competition and investment provided for in the first draft (one for negotiations and one termed the 'opt-in/opt-out' approach) had been removed from the second draft, which now allowed only for direct negotiations. The option for immediate commencement of negotiations violated the 1996 Singapore Ministerial Declaration, which clearly stated that unless an explicit consensus was reached the study programme on new issues could not be upgraded into official negotiations. India noted that many delegates, and the Chairman himself, were aware that explicit consensus was far from being reached.<sup>54</sup> India continued to declare the draft ministerial declaration unsatisfactory on many levels, and to assert that it had no intention of changing its stance on implementation and the new issues. The stage was set for India to emerge at the Doha Ministerial as the primary opponent to the new round.

### ***The ministerial begins***

At the opening session of the Doha conference, Maran declared that developing countries had no choice but to resist new issues which would allow developed countries to initiate protectionist measures against them.<sup>55</sup> India's resistance continued unabated throughout the following crucial days and, at first, its firm leadership of the LMG appeared to keep its allies in line. Some developing countries joined India in underlining the need for continued study of the new issues through the Geneva-based working groups, and blocking the commencement of official negotiations. The dissidents included LMG members Malaysia, Pakistan, Indonesia, Thailand, Egypt, Jamaica, Cuba, Tanzania, Zimbabwe (also chair of the Africa Group in Geneva), Kenya (also chair of the ACP), plus key African members Nigeria (chair of the Africa Group in Doha), and Senegal, and Latin American states such as Nicaragua and Bolivia.<sup>56</sup> One day later, however, India appeared to be the only member left refusing to make any concessions, and was increasingly portrayed by Western media as the only state opposing the new round. Indian negotiators continued to reject all bilateral engagements with the US and EU, and issued a statement reassuring the ACP,

LDC, and Africa Groups that India had no intention of softening its position. A new draft was circulated on 13 November, offering minor concessions on two of the new issues (investment and competition policy). Along with other LMG members, India rejected once again the launch of any negotiations on the new issues.<sup>57</sup>

The events of September 11 may shed light on why increased pressure was exerted on India throughout the Doha Ministerial, and how 9/11 was used to frame a new discourse promoting the launch of a new Round. Previous deadlocks in trade negotiations had been overcome through the deployment of a political economy 'crisis discourse' suggesting that a retreat from negotiations could trigger movement towards protectionism and rival trade blocs.<sup>58</sup> The 'crisis discourse' had operated as the catalyst for regaining momentum lost when a temporary collapse (as in the UR interim period) of negotiations appeared to threaten the overall legitimacy of the multilateral trading system. Although the same language was used consistently in the post-Seattle period, the war on terror served as the ideational framework for recasting the existing discourse.<sup>59</sup> From September to November 2001, the US engaged in a concentrated campaign of 'countering terror with trade' and broadening the existing political economy discourse to demonstrate that beyond economic progress, open trade reflected the values of freedom, democracy, the rule of law, peaceful exchange, inclusiveness, and opportunity, all of which stood at the heart of the struggle against terrorism.<sup>60</sup>

In tandem with other inducements, the discourse linking trade with the war on terror had the desired effect, and a consensus duly emerged among the global South concerning the wisdom of launching a new round. The LMG coalition gradually succumbed to the divide-and-rule tactics of the US and the EU. The US concentrated on engaging the LMG and its individual members through a mix of threats and inducements. Members of the Africa Group (including those in the LMG) were offered the TRIPS and Public Health Declaration and a WTO waiver for an ACP-EU preferential agreement, in return for conceding on the new issues.<sup>61</sup> Leading LMG members such as Egypt, Malaysia and Pakistan received aid packages in exchange for supporting the US-led war on terror and the launch of the Doha Round.<sup>62</sup> Conversely, LMG members faced the prospect of losing all concessions, preferential agreements or bilateral deals if they continued to resist on the new issues. Zimbabwe's Ambassador, Boniface Chidyasiku, captured the atmosphere during the Doha talks when he remarked that 'no minister was prepared to be blamed for the failure of Doha, and standing in the way of fighting terrorism'.<sup>63</sup> Under such pressure, the allegiance of LMG members to India was steadily eroded throughout the Doha talks.

The final episodes of the Doha Ministerial involved Green Room sessions on 13 and 14 November. India declared the revised draft unacceptable but Commerce Minister Maran was subject to enormous pressure.<sup>64</sup> Mike Moore strove to convince Maran that Indian opposition had reached its limits, and no further gains could possibly be extracted. In the final meeting of the Committee of the Whole, on 14 November, a number of countries accepted the draft declaration. The organization of the session left limited room for objections since the floor was repeatedly given to supporting members, constructing an irreversible consensus that effectively isolated India. Although there is evidence that certain developing countries from Africa and Asia continued to share India's concerns

on the Singapore Issues, they essentially acted as free riders in what they now recognised as India's own battle.<sup>65</sup> India was effectively the only member holding up the final agreement, and delegates from both developed and developing countries openly stated that the deal was already in place and all that was lacking was India's signature.<sup>66</sup> British Prime Minister Tony Blair urged his counterpart Atal Vajpayee to act in a more constructive manner.<sup>67</sup> Despite its isolation, the Indian delegation endeavored to secure certain improvements in the language of the draft text, especially on the Singapore Issues. After a slight amendment in the language of the DDA which further clarified that 'explicit consensus' would be necessary to launch negotiations on the Singapore Issues in the future, India finally accepted the declaration.

India declared the Ministerial declaration satisfactory, claiming that its major concerns had been acknowledged. The actual gains, however, were minimal. With the exception of the 'explicit consensus' clause on the Singapore Issues, India failed to extract any meaningful concessions on implementation issues and Special and Differential Treatment. The overall balance of commitments as outlined in the DDA did not reflect India's preferences on prioritising implementation over new issues. The DDA aspired to lodge a renewed developmental discourse at the core of the global trading system and relieve the global South from the anxiety of formally launching a new Uruguay-type round. This particular interpretation of development, however, required developing countries to maintain measures of liberalisation in multiple areas, while potentially imposing a new regulatory framework upon the global South. The DDA therefore promoted a liberal and technocratic vision of development that excluded the core aspects of India's competing agenda of developmental multilateralism.

## **Conclusion**

In the run-up to the Doha Ministerial India articulated a vision of trade governance that, in contrast to its earlier revisionist world-view, accepted the normative pillars of the GATT/WTO regime as an integral element in the promotion of economic development in the global South. On one hand, India understood existing WTO agreements as a filter through which to screen out the negative effects of trade liberalisation. Thus, the UR architecture could be used to promote fast-track liberalisation in the services sector, while also allowing a more controlled pace of liberalisation in sensitive sectors such as agriculture. On the other hand, India sought the implementation of existing UR agreements in order to correct substantive imbalances in the WTO; resisted attempts to extend regulation in 'new' issue areas; and decried the 'medieval' negotiating procedures and practices characteristic of the organisation. India's developmental multilateralism reflected its gradual integration within the global trading system and a subsequent determination to transform that system to the benefit of India and other developing countries. Such a transformation, Indian negotiators believed, would lend much needed stability and legitimacy to the multilateral trading system as a whole.

At the time of writing, the ninth Ministerial Conference (Bali: 3-6 December, 2013) of the WTO has led to a new deal granting the right to developing countries, and especially India, to use emergency measures to protect domestic food security. The Bali deal was effectively a trade-off between food security and trade facilitation (the only Singapore Issue remaining on the agenda at

the DDA). The deal was to a large extent shaped by India: through the determination of Indian negotiators to secure a meaningful package on food security and protect domestic policy space in agriculture. Indian demands were the main cause of deadlock in the ministerial and it was only after satisfactory language on food security was established that India conceded to the agreement. The Bali Ministerial clearly mirrored previous attempts by India to re-negotiate policy space in the WTO, demonstrating the continuity which underpins the diplomacy of emerging powers as they engage with the global trading system. The Ministerial also showed that Indian negotiators were not solely confined to an inflexible stance, but were willing to compromise and accept a trade-off in order to promote developmental multilateralism.

India is portrayed by many as an obstructionist ‘other’ in the multilateral system. Contrary to much of the existing academic literature, in this paper we suggest that India had *begun* to move past blanket obstruction and naysaying as long ago as the Doha Ministerial; that evidence of conformism and compromise was obscured by fiery rhetoric intended to satisfy the domestic audience; and that India’s vision of developmental multilateralism was and remains more than just a fig leaf concealing the pursuit of narrow national interest. If we are even partially correct the implication of our analysis is twofold. First, that the major powers in the WTO must, sooner or later, take calls for greater policy space and genuine developmental multilateralism seriously. Second, that the academic debate should move beyond ideal-type images of ‘balancing’, ‘spoiling’ or ‘bandwagoning’ (or a combination thereof) as the motive force behind the foreign policies of ‘emerging’ powers, and take seriously the suggestion that India’s vision of developmental multilateralism might just put it on the right side of history.

## **Acknowledgements**

The authors would like to thank Ben Clift and Tony Payne for their valuable comments on the paper.

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## NOTES:

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- <sup>1</sup> Blustein, *Misadventures of the Most Favored Nations*, 111.
- <sup>2</sup> Mukherjee and Malone, 'From High Ground'; Narlikar, 'Rising India'.
- <sup>3</sup> Jones, *The Doha Blues*, viii and 185.
- <sup>4</sup> Lilja, 'Domestic-Level Factors'.
- <sup>5</sup> Narlikar, 'All's Fair in Love and Trade', 201.
- <sup>6</sup> Pedersen, *Globalization, Development and the State*, 115.
- <sup>7</sup> Hurrell and Narlikar, 'A New Politics of Confrontation', 433.
- <sup>8</sup> Lilja, op cit, is exceptionally clear on this.
- <sup>9</sup> Narlikar and Odell, 'The Strict Distributive Strategy'.
- <sup>10</sup> South Centre, 'Policy Space', 1.
- <sup>11</sup> Ibid, 3.
- <sup>12</sup> Ibid.
- <sup>13</sup> Gallagher, 'Understanding Developing Country Resistance', 63.
- <sup>14</sup> Chang, *Kicking Away the Ladder*.
- <sup>15</sup> UNCTAD, 'Sao Paulo Consensus', 2-3.
- <sup>16</sup> Peet, *Unholy Trinity*.
- <sup>17</sup> Wade, 'What Strategies Are Viable', 630.
- <sup>18</sup> Overseas Development Institute, 'Policy Space'.
- <sup>19</sup> For a rather different approach to the 'policy space' debate see Hoekman, 'Operationalizing the Concept of Policy Space'.
- <sup>20</sup> See, for example, Wade, op cit., 623. The transformative purpose of the policy space literature differentiates it from the 'varieties of capitalism' debate, although the former clearly draws upon the latter. See Hancké, *Debating Varieties of Capitalism*.
- <sup>21</sup> Mayer, 'Policy Space'.
- <sup>22</sup> Khan, 'WTO, IMF and the Closing of Development Policy Space'.
- <sup>23</sup> DiCaprio and Gallagher, 'The WTO and the Shrinking of Development Space'.
- <sup>24</sup> On the concept of 'redistributive multilateralism' see Steffek, *Embedded Liberalism*.
- <sup>25</sup> Nel, 'Redistribution and Recognition'.
- <sup>26</sup> Ruparelia et al, *Understanding India's New Political Economy*.
- <sup>27</sup> World Bank 'Sustaining India's Services Revolution', 9.
- <sup>28</sup> Ibid, 10.
- <sup>29</sup> Brummer, 'India's Negotiation Positions'.
- <sup>30</sup> Dubey 'India and the WTO', 118-9.
- <sup>31</sup> Mattoo and Subramanian, 'India and the Multilateral Trading System'.
- <sup>32</sup> Ford, *Social Theory*, 162-63.
- <sup>33</sup> WTO (2001) 'Negotiations on WTO Agreement on Agriculture', 1, 7, 17.
- <sup>34</sup> WTO (2000) 'Report of the Meeting Held on 25 February 2000', 6, 9.
- <sup>35</sup> WTO (2000) 'Report of the Meeting Held on 26 May 2000', 18-19.
- <sup>36</sup> Ibid., 2.
- <sup>37</sup> McDowell, *Globalisation, Liberalisation and Policy Change*.
- <sup>38</sup> Business Line (2001) 'New Issues in WTO Agenda to Be Opposed', 16 October.
- <sup>39</sup> Business Line (2001) 'Implementation Issues Must not be Linked', 7 August.
- <sup>40</sup> Narlikar and Odell, op. cit., 115-144.
- <sup>41</sup> The Hindu (2001) 'SAARC Forges Common Front on WTO', 23 August; Business Line (2001) 'India Lobbies G-77 against WTO Round', 20 June.
- <sup>42</sup> Narlikar, 'All that Glitters is not Gold', 989.
- <sup>43</sup> Panagariya (2002) 'India at Doha', 282.

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- <sup>44</sup> Associated Press (2001) 'India Won't Commit to New Round of Trade Talks until WTO Corrects Imbalances', 3 August.
- <sup>45</sup> Associated Press (2001) 'US Mounts Pressure on India to Agree to New Round of Trade Talks', 9 August.
- <sup>46</sup> Associated Press (2001) 'US to Allow \$540 Million Annually in Duty-Free Imports from India', 8 August.
- <sup>47</sup> Reuters News (2001) 'India Says 'Not Isolated' on Trade Talks', 16 August.
- <sup>48</sup> Associated Press (2001) 'India Opposed to New Round of Trade Talks until WTO Implements Existing Pacts', 20 August.
- <sup>49</sup> Reuters News (2001) 'US Farm Groups Jittery over India Anti-WTO Remarks', 24 August.
- <sup>50</sup> Agence France Presse (2001) 'India Says Draft WTO Trade Package Offers Little for Poor Nations'.
- <sup>51</sup> Agence France Presse (2001) 'India Says Rich Nations Must Settle Pending Issues for New WTO Talks', 17 October.
- <sup>52</sup> BBC Monitoring South Asia (2001) 'Germany Calls on India to Support Global Trade Talks in Doha'; BBC Monitoring South Asia (2001) 'Visiting British Minister Says India must Support WTO Ministerial Meeting'.
- <sup>53</sup> WTO (2001) 'Preparation for the Fourth Session'.
- <sup>54</sup> Ibid., 2.
- <sup>55</sup> WTO (2001) 'Statement by the Honourable Murasoli Maran'.
- <sup>56</sup> Jawara and Kwa, *Behind the Scenes*, 93-94.
- <sup>57</sup> Ministry of Commerce and Industry (2001) 'India Disappointed with Revised Text', Press Release, 13 November.
- <sup>58</sup> Wilkinson, 'Language, Power'.
- <sup>59</sup> Harbinson notes that the effects of 9/11 on world trade must still be explained in conjuncture with the entire three-year build-up period following the Seattle Ministerial (1999). Harbinson, 'The Doha Round', 2-5.
- <sup>60</sup> R B. Zoellick, 'Countering Terror with Trade', *Washington Post*, September 20.
- <sup>61</sup> Odell and Narlikar, op. cit., 131-132.
- <sup>62</sup> Kwa, *Power Politics*, 33.
- <sup>63</sup> Ibid., 31.
- <sup>64</sup> Reuters News (2001) 'India Disappointed with WTO Trade Round Draft', 13 November.
- <sup>65</sup> Panagariya, 'Developing Countries at Doha', 1228-9.
- <sup>66</sup> Agence France Presse (2001) 'India Blocks Path to WTO Deal', 14 November.
- <sup>67</sup> Reuters News (2001) 'Blair Praises WTO Deal after Pressing India', 14 November.

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